



Verizon Communications
1300 I Street NW, Suite 400W
Washington, DC 20005

March 6, 2002

Ex Parte

William Caton
Acting Secretary
Federal Communications Commission
445 12th St., S.W. – Portals
Washington, DC 20554

RE: Application by Verizon-New Jersey Inc. for Authorization To Provide In-Region, InterLATA Services in State of New Jersey, Docket No. 01-347 - REDACTED

Dear Mr. Caton:

At the request of the staff, Verizon is providing answers to several questions regarding Verizon's application for long distance authority in New Jersey. The twenty-page limit does not apply as set forth in DA 01-2746.

Special Services. The Commission asks about Verizon's performance in New Jersey on PR-6-01-3200 (Special Services – Percent Installation Troubles Reported Within 30 Days). Verizon provided recomputed provisioning quality performance results for unbundled Special Services on January 22, 2001. *See* letter from Clint Odom to William Caton (January 22, 2002); *see also* letter from Clint Odom to William Caton (March 1, 2002). The recomputed results for provisioning quality show that Verizon received very few installation trouble reports (trouble reports submitted within 30 days of installation of a Special Services circuit) for unbundled Special Services in New Jersey. For example, during August, Verizon installed 77 unbundled Special Services circuits and only 7.79 percent of them had installation troubles reported within 30 days. This means that Verizon received only 6 installation trouble reports in August on unbundled Special Services. Similarly, in September and October, Verizon received only 7 installation troubles on unbundled Special Services circuits, in November, Verizon received only 6 installation troubles, and in December, Verizon received only 4 installation troubles. The Commission has previously recognized that "performance data based on low volumes of orders or other transactions is not as reliable an indicator of checklist compliance as performance based on larger numbers of observations." *Kansas/Oklahoma Order* ¶ 36. *See also Kansas/Oklahoma Order* ¶ 196 n.565 (noting that SWBT's data were affected by small numbers where only seven competing carriers reported trouble reports on DSL loops in September 2000, and only one of those carriers experienced a repeat trouble). Moreover, the difference between the recomputed results for installation quality on unbundled Special Services and the retail comparison group is consistent with the installation quality difference the Commission noted in another 271 approval order. *See, e.g., Connecticut Order* ¶ 21 n.49 (comparing wholesale installation quality performance of 11.3 percent to retail performance of 4.2 percent).

Another reason why the Commission should not rely on this performance measure is that the retail comparison group is not appropriate. On the one hand, over 90 percent of the orders in the retail comparison group are for DS-0 services and feature changes, which are very simple to perform. On the other hand, 100 percent of the wholesale performance group is comprised of DS-1 and DS-3 loops, which are significantly more difficult to provision. It is therefore more likely for the wholesale group to experience installation troubles than the retail comparison group.

Now that there are larger volumes (although still quite low) of CLEC Special Services in New Jersey, Verizon is looking carefully at all of the Special Services metrics. Verizon's review of these metrics will address several different issues. For example, Verizon's review will consider the mix of products purchased by retail and wholesale customers. Verizon's review will also consider whether special access services purchased by retail end-user customers should be included in the retail comparison group. In addition, Verizon will consider whether there are any differences in the retail and wholesale service order processes that affect the metrics in unexpected ways. Once Verizon has completed its review of these metrics, we will present recommendations to the New Jersey Board of Public Utilities for changes to the reporting guidelines. Until that review is completed, it is premature to ask for changes to the reporting guidelines.

2-Wire Digital Loops. The Commission asks about Verizon's performance in New Jersey on PR-6-01-3341 (2-wire Digital Services – Percent Installation Troubles Reported Within 30 Days). CLECs typically order 2-wire digital loops in those situations where a copper DSL loop is not available. During August through December 2001, Verizon met the parity standard for installation quality in all but two months, and met the standard during the two most recent months of November and December. During November, Verizon had only 4 installation trouble reports for 2-wire digital loops and during December 2001, Verizon had only 5 installation trouble reports.

The retail comparison group for PR-6-01-3341 measurement is retail 2-wire digital services, which does not provide an "apples-to-apples" comparison. Most of the CLEC 2-wire digital loops are provisioned using fiber, while most of the orders in the retail comparison group are provisioned using copper. In addition, the CLEC loops are predominantly used for data transmission (IDSL), while the orders in the retail comparison group are predominantly used for voice transmission (either POTS or ISDN). Cooperative testing of the 2-wire digital loops that CLECs purchase has proved more difficult than for DSL loops. Because the loop is provided over fiber, through a plug-in card in the central office and another card at the remote terminal, it is not possible for any of the test equipment used by the CLECs to test beyond the card in the central office. (Like all stand-alone, unbundled loops, Verizon has no access for test purposes.) Further, the normal tests that a technician would perform on a copper loop, including the cooperative test process employed for DSL loops, do not work on 2-wire digital loops provided over fiber. *See Rhode Island Order* ¶ 81 ("we agree with Verizon that this metric may appear to suggest unequal treatment simply because of the comparison group used").

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Another factor that affects reported performance is the substantial variation among CLECs in their installation trouble report rates. This variability among providers suggests that some CLECs are not properly performing acceptance testing on 2-wire digital loops. Covad and NAS are the two principal purchasers of 2-wire digital loops. From August through December 2001, the installation trouble report rate on NAS 2-wire digital loops was ***** percent, compared to ***** percent for Covad. *See Attachment A.* The fact that Covad was able to achieve better installation quality results for 2-wire digital loops than NAS indicates that discrepancies in Verizon's reported aggregate installation results are due to factors beyond Verizon's control. *See, e.g., New York Order ¶ 166* (“[b]ecause all competing carriers interface with the same Bell Atlantic system, this wide range of results [among competing carriers] strongly implies that the competitors, rather than Bell Atlantic, are largely responsible for any ‘poor’ UNE flow-through performance”).

Verizon has been working with NAS for more than a year to improve its installation quality performance. Verizon requested that NAS provide some of its modems so that Verizon management could accompany Verizon technicians during installation trouble dispatches of NAS 2-wire digital loops. NAS did not provide any modems until the end of last year. Unfortunately, the one modem NAS provided was not programmed by NAS until last month. Verizon is now beginning to use these modems on NAS loops with installation trouble reports.

Nonetheless, when CLECs do experience trouble on a 2-wire digital loop, their troubles are resolved, on average, more quickly than are the troubles in the retail comparison group. From August through December 2001, the mean time to repair 2-wire digital loops in New Jersey (MR-4-01-3341) was 20.85 hours for CLECs, compared to 24.65 hours for the retail comparison group. *See Attachment B.* Verizon met the parity standard under this measure in each of those months.

Should you have any questions, please do not hesitate to call.

Sincerely,



Clint E. Odom

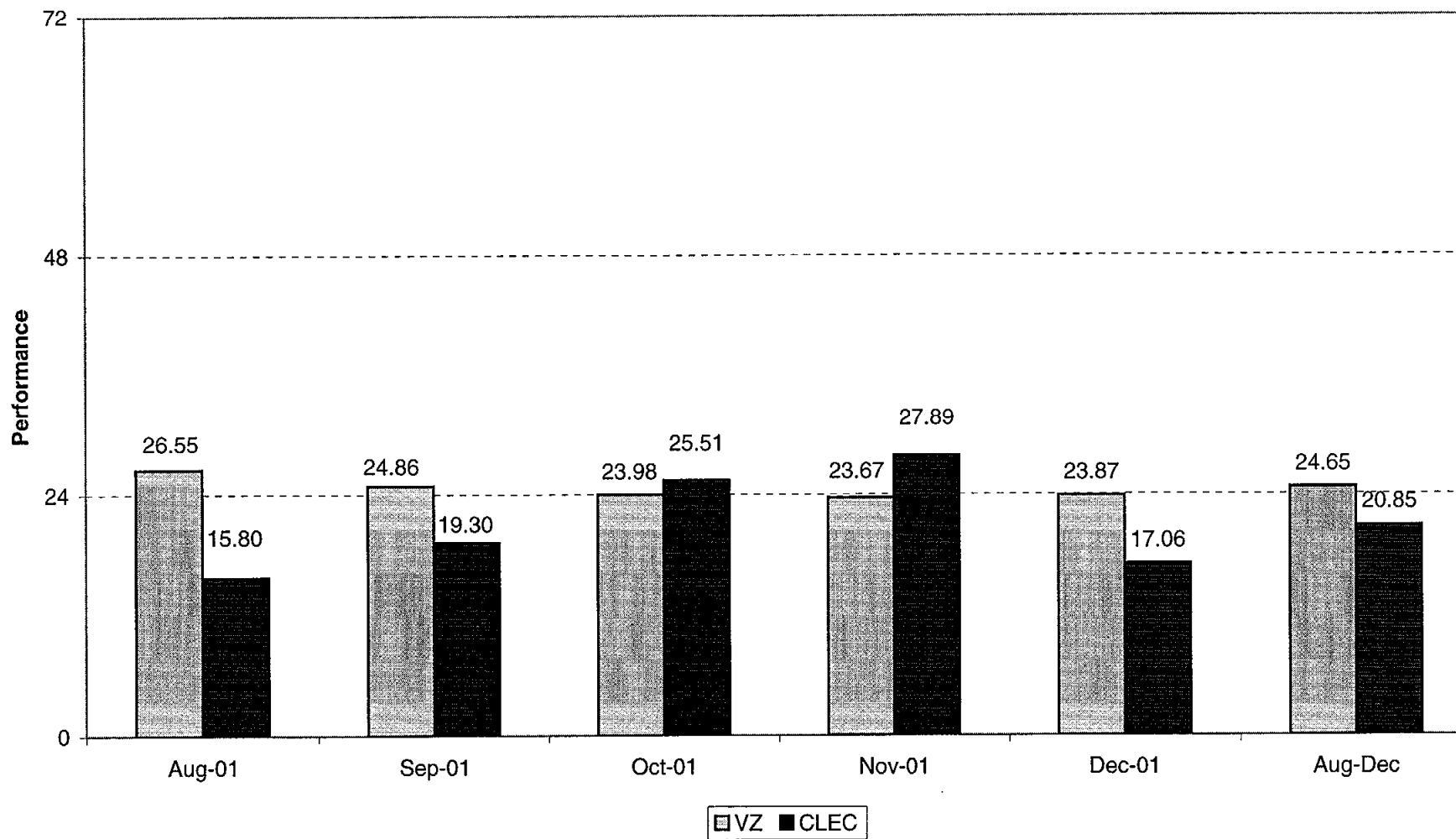
Attachments

cc: A. Johns
S. Pie

ATTACHMENT A
REDACTED

ATTACHMENT B

New Jersey - 2 Wire Digital Loops
Maintenance- Mean Time To Repair - (MR-4-01-3341)
Aug - Dec 01



New Jersey - 2 Wire Digital Loops
Maintenance - Mean Time To Repair - (MR-4-01-3341)
Aug - Dec

2 Wire Digital - MR-4-01-3341

VZ	
Performance	
Observations	
CLEC	
Performance	
Observations	

Aug-01 Sep-01 Oct-01 Nov-01 Dec-01 Aug-Dec

26.55	24.86	23.98	23.67	23.87	24.65
647	615	718	508	487	2975

15.80	19.30	25.51	27.89	17.06	20.85
51	40	42	32	27	192